

Agency Proposed Budget

The following table summarizes the total legislative budget proposal for the agency by year, type of expenditure, and source of funding.

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	124.77	0.20	0.00	124.97	0.20	0.00	130.14	130.14
Personal Services	7,131,990	627,728	13,518	7,773,236	619,277	0	7,751,267	15,524,503
Operating Expenses	1,916,296	745,768	240,888	2,902,952	457,617	0	2,373,913	5,276,865
Equipment	98,375	4,625	0	103,000	(33,375)	0	65,000	168,000
Total Costs	\$9,146,661	\$1,378,121	\$254,406	\$10,779,188	\$1,043,519	\$0	\$10,190,180	\$20,969,368
General Fund	7,055,185	1,051,301	254,406	8,360,892	1,339,999	0	8,395,184	16,756,076
State/Other Special	2,091,476	326,820	0	2,418,296	(296,480)	0	1,794,996	4,213,292
Total Funds	\$9,146,661	\$1,378,121	\$254,406	\$10,779,188	\$1,043,519	\$0	\$10,190,180	\$20,969,368

Agency Description

The Legislative Branch consists of the legislature and supporting staff divisions as provided in 5-2-504, MCA. The principal agency entities are the Senate, the House of Representatives, the Legislative Services Division, the Legislative Fiscal Division, and the Legislative Audit Division. The budget for the three staff divisions and legislative interim work is presented in HB 2. The budget for House and Senate activity is presented in HB 1, the "feed bill."

Agency Highlights

Legislative Branch Major Budget Highlights	
<ul style="list-style-type: none"> • Increase over the 2005 biennium of an average of 2 percent each year is primarily due to present law adjustments and the cyclical nature of costs related to the legislative session that are not in the base year • New proposals for disaster recovery and security plans, and legislator services / participation 	

Agency Discussion

The Legislative Branch business cycle is biennial, related to the cyclical nature of legislative sessions, production and publication of the Montana Codes Annotated, interim study committees and activities, and biennial audit work. As such, the Legislative Branch receives biennial appropriations. However, as a means to facilitate comparison, the budget is presented in annual format for budget review. Changes to the base year reflect the difference of activity from legislative session to interim years. Comparisons to the base year give a distorted picture in that session costs are not in the base, yet recur every other year. A biennium-to-biennium comparison provides a more accurate picture.

The Legislative Branch budget is presented as the approving legislative committees adopted it in September at the time original agency budgets were required to be submitted. It represents a present law budget, consistent with the original submissions by executive branch agencies. The executive is required to present the Legislative Branch budget as submitted.

**LFD
COMMENT**

The executive has proposed a 4 percent vacancy savings rate for agencies with more than 20 FTE but does not recommend vacancy savings for the Legislative Branch as a matter of policy. The issue of vacancy savings for the Legislative Branch will be negotiated with legislative leadership and the General Government Joint Subcommittee on Appropriations as part of the branch budget deliberations.

Funding

The following table summarizes funding for the agency, by program and source as recommended by the approving authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2007 Biennium Executive Budget				
Agency Program	General Fund	State Spec.	Grand Total	Total %
20 Legislative Services	\$ 9,586,342	\$ 1,237,760	\$ 10,824,102	51.6%
21 Legis. Committees & Activities	898,229	-	898,229	4.3%
27 Fiscal Analysis & Review	2,583,939	-	2,583,939	12.3%
28 Audit & Examination	3,687,566	2,975,532	6,663,098	31.8%
Grand Total	<u>\$ 16,756,076</u>	<u>\$ 4,213,292</u>	<u>\$ 20,969,368</u>	<u>100.0%</u>

Biennium Budget Comparison

The following table compares the legislative budget request in the 2007 biennium with the 2005 biennium by type of expenditure and source of funding. The 2005 biennium consists of actual FY 2004 expenditures and FY 2005 appropriations.

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	Present Law Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Biennium Fiscal 04-05	Total Exec. Budget Fiscal 06-07
FTE	124.97	0.00	124.97	124.97	0.00	130.14	124.77	130.14
Personal Services	7,759,718	13,518	7,773,236	7,751,267	0	7,751,267	15,438,523	15,524,503
Operating Expenses	2,662,064	240,888	2,902,952	2,373,913	0	2,373,913	4,525,812	5,276,865
Equipment	103,000	0	103,000	65,000	0	65,000	200,000	168,000
Total Costs	\$10,524,782	\$254,406	\$10,779,188	\$10,190,180	\$0	\$10,190,180	\$20,164,335	\$20,969,368
General Fund	8,106,486	254,406	8,360,892	8,395,184	0	8,395,184	16,106,258	16,756,076
State/Other Special	2,418,296	0	2,418,296	1,794,996	0	1,794,996	4,058,077	4,213,292
Total Funds	\$10,524,782	\$254,406	\$10,779,188	\$10,190,180	\$0	\$10,190,180	\$20,164,335	\$20,969,368

New Proposals

The "New Proposal" table summarizes all new proposals requested by the approving legislative committees. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	FTE	-----Fiscal 2006-----				-----Fiscal 2007-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - Disaster Recovery and Security Plans										
20	0.00	120,000	0	0	120,000	0.00	0	0	0	0
DP 5 - Participation, Pacific Northwest Economic Region										
21	0.00	44,754	0	0	44,754	0.00	0	0	0	0
DP 6 - Participation, NCSL and CSG										
21	0.00	79,652	0	0	79,652	0.00	0	0	0	0
DP 7 - Legislative Council on River Governance										
21	0.00	10,000	0	0	10,000	0.00	0	0	0	0
Total	0.00	\$254,406	\$0	\$0	\$254,406	0.00	\$0	\$0	\$0	\$0

Program Proposed Budget

The following table summarizes the legislative council budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	50.80	0.20	0.00	51.00	0.20	0.00	56.17	56.17
Personal Services	2,984,223	301,641	0	3,285,864	362,801	0	3,347,024	6,632,888
Operating Expenses	1,445,739	589,395	120,000	2,155,134	422,341	0	1,868,080	4,023,214
Equipment	98,375	4,625	0	103,000	(33,375)	0	65,000	168,000
Total Costs	\$4,528,337	\$895,661	\$120,000	\$5,543,998	\$751,767	\$0	\$5,280,104	\$10,824,102
General Fund	3,708,761	857,062	120,000	4,685,823	1,191,758	0	4,900,519	9,586,342
State/Other Special	819,576	38,599	0	858,175	(439,991)	0	379,585	1,237,760
Total Funds	\$4,528,337	\$895,661	\$120,000	\$5,543,998	\$751,767	\$0	\$5,280,104	\$10,824,102

Program Description

The Legislative Services Division provides research, reference, legal, technical, information technology, and administrative support services to the House, Senate, and other divisions of the Legislative Branch. Division services include: 1) bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills; 2) publication of legislative documents of record; 3) provision of legislative research and reference services; legal counseling on legislative matters and agency legal support; 4) agency management and business services; 5) planning, installation and maintenance of the agency computer network and applications; 6) legislative committee staffing and support; 7) preparation, publication and distribution of the Montana Code Annotated text and annotations; 8) review of the text of proposed ballot measures; 9) broadcasting of legislative activities; and 10) provision of legislative information to the public. The Legislative Council provides policy guidance to the Legislative Services Division.

Program Highlights

Legislative Services Division Major Budget Highlights	
Funding increases are attributed to: <ul style="list-style-type: none"> Statewide present law adjustments Increases in operating expenses due to: <ul style="list-style-type: none"> The cyclical nature of the legislative process Continuation of the phased replacement of audio recording as committee minutes Required development of disaster recovery and security plans 	

**LFD
COMMENT**

This program, in addition to increases in personal services for vacancy savings and pay plan increases, has present law increases for the cyclical session employee costs in fiscal 2005. These costs do not occur in the non-session base year, and do not represent a true increase when comparing biennium to biennium.

This program pays all fixed costs for the Legislative Branch programs. A significant portion of the increase in operating cost is attributable to increases of over \$93,000 each year of the biennium for technology-based services and facility rent charged by other agencies.

Reductions in state special revenue reflect the comparison to the base year and the cyclical nature of this program.

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium, as recommended by the Legislative Council.

Program Funding Table						
Legislative Services						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01100 General Fund	\$ 3,708,761	81.9%	\$ 4,685,823	84.5%	\$ 4,900,519	92.8%
02800 Reimbursable Activities	793,171	17.5%	814,184	14.7%	348,714	6.6%
02985 State Government Broadcasting	<u>26,405</u>	<u>0.6%</u>	<u>43,991</u>	<u>0.8%</u>	<u>30,871</u>	<u>0.6%</u>
Grand Total	<u>\$ 4,528,337</u>	<u>100.0%</u>	<u>\$ 5,543,998</u>	<u>100.0%</u>	<u>\$ 5,280,104</u>	<u>100.0%</u>

The Legislative Services Program is funded by general fund except for state special revenue appropriations that support costs associated with the state broadcasting service and the preparation, publication, and distribution of Montana Code Annotated Test and annotations.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the legislative council. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				301,641					362,801
Inflation/Deflation				(2,527)					(2,526)
Fixed Costs				83,577					87,380
Total Statewide Present Law Adjustments				\$382,691					\$447,655
DP 2 - Audio Recordings as Committee Minutes	0.00	158,000	0	0	158,000	0.00	0	0	0
DP 12 - Increase Branch Personnel Services FTE	0.20	0	0	0	0	0.20	0	0	0
DP 50 - LSD Program Operations	0.00	327,338	27,632	0	354,970	0.00	573,837	(269,725)	0
Total Other Present Law Adjustments	0.20	\$485,338	\$27,632	\$0	\$512,970	0.20	\$573,837	(\$269,725)	\$0
Grand Total All Present Law Adjustments				\$895,661					\$751,767

DP 2 - Audio Recordings as Committee Minutes - The Legislative Branch produces and retains minutes of session committee hearings. Phased replacement of labor-intensive written summary committee minutes with audio recordings continues into the 2007 biennium. Committee proceedings will also broadcast to the Internet and be archived and made available on-line. Personal services savings recognized during the 2003 and 2005 sessions by the House and Senate are again expected during the 2007 session. While savings are recognized within HB 1, the "Feed Bill", responsibility for technological support of the House and Senate rests with the Legislative Services Division in HB 2.

DP 12 - Increase Branch Personnel Services FTE - The 0.20 FTE in this decision package, when combined with an existing 0.80 FTE, will establish a full-time position to provide in-house personnel services to the Legislative Branch. The Legislative Council approved authority and funding for this position during the 2005 biennium in June 2004. This decision package requests no funding.

DP 50 - LSD Program Operations - The Legislative Branch business cycle is biennial; however, for comparison purposes, the budget is presented in an annual format. Decreases from base relate to preparation and publication of the Montana Codes Annotated and other legislative publications. Increases to base relate to legislative session costs that are in the non-base year only, including temporary staff, printing, and office supplies. During the 2005 biennium, the branch equipment and software replacement cycle was deferred due to reductions of approximately \$1 million during the 2003 session. Resumption of the replacement cycle is included in present law adjustments.

New Proposals

New Proposals										
Program	FTE	Fiscal 2006				Fiscal 2007				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - Disaster Recovery and Security Plans										
20	0.00	120,000	0	0	120,000	0.00	0	0	0	0
Total	0.00	\$120,000	\$0	\$0	\$120,000	0.00	\$0	\$0	\$0	\$0

DP 3 - Disaster Recovery and Security Plans - The Legislative Branch Computer Systems Planning Council, established in Title 5, MCA, is required to develop a comprehensive branch computer system plan. The 2007-Biennium computer system plan recognizes the Legislative Branch does not have disaster recovery or security plans in place for recovering mission-critical systems in the case of a disaster. This proposal uses contracted services for development and initial implementation of disaster recovery and security plans, with ongoing maintenance assumed within existing funding.

Program Proposed Budget

The following table summarizes the Legislative Council budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	0.97	0.00	0.00	0.97	0.00	0.00	0.97	0.97
Personal Services	54,584	40,416	13,518	108,518	(22,454)	0	32,130	140,648
Operating Expenses	277,858	118,255	120,888	517,001	(37,278)	0	240,580	757,581
Total Costs	\$332,442	\$158,671	\$134,406	\$625,519	(\$59,732)	\$0	\$272,710	\$898,229
General Fund	332,442	158,671	134,406	625,519	(59,732)	0	272,710	898,229
Total Funds	\$332,442	\$158,671	\$134,406	\$625,519	(\$59,732)	\$0	\$272,710	\$898,229

Program Description

The Legislative Committees and Activities Program processes and monitors the expenditures of various legislative committees and activities, particularly those conducted during the interim between legislative sessions. Services include: 1) limited support of interim studies activities established under 5-5-202 through 5-5-217, MCA; 2) support of interstate cooperation activities of the legislature; and 3) support of other legislative activities for which appropriations are made.

Program Highlights

Legislative Committees and Activities Major Budget Highlights	
<ul style="list-style-type: none"> Increases over the base year include: <ul style="list-style-type: none"> Present Law Adjustments New proposals for dues and to allow legislators to participate in various organizations 	

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Legislative Council.

Program Funding Table Legis. Committees & Activities						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01100 General Fund	\$ 332,442	100.0%	\$ 625,519	100.0%	\$ 272,710	100.0%
Grand Total	<u>\$ 332,442</u>	<u>100.0%</u>	<u>\$ 625,519</u>	<u>100.0%</u>	<u>\$ 272,710</u>	<u>100.0%</u>

The program is funded with general fund.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Legislative Council. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
Fiscal 2006						Fiscal 2007				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					19,852					19,899
Inflation/Deflation					(77)					(75)
Total Statewide Present Law Adjustments					\$19,775					\$19,824
DP 51 - Committees & Activities Pgm Operations										
	0.00	138,896	0	0	138,896	0.00	(79,556)	0	0	(79,556)
Total Other Present Law Adjustments	0.00	\$138,896	\$0	\$0	\$138,896	0.00	(\$79,556)	\$0	\$0	(\$79,556)
Grand Total All Present Law Adjustments					\$158,671					(\$59,732)

**LFD
COMMENT**

Personal services in this program are for the pay of legislators participating in interim committees and activities. No FTE are assigned to this program (0.97 FTE is a “placeholder” for legislator salaries).

DP 51 - Committees & Activities Pgm Operations - The budget, presented as a biennial appropriation in the first year, provides funding for the Legislative Council, Environmental Quality Council, and eight interim committees. Each committee’s 2005 Biennium budget was reduced; sufficient funding is provided for each committee to complete its statutory tasks. The Legislative Council is required by statute to facilitate participation of the state as a member of appropriate interstate entities. Montana is a member of the National Conference of State Legislatures, National Conference of Commissioners on Uniform State Laws, and Council of State Governments. Funding for dues and National Conference of State Legislatures participation is included.

New Proposals

New Proposals										
Fiscal 2006						Fiscal 2007				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5 - Participation, Pacific Northwest Economic Region										
21	0.00	44,754	0	0	44,754	0.00	0	0	0	0
DP 6 - Participation, NCSL and CSG										
21	0.00	79,652	0	0	79,652	0.00	0	0	0	0
DP 7 - Legislative Council on River Governance										
21	0.00	10,000	0	0	10,000	0.00	0	0	0	0
Total	0.00	\$134,406	\$0	\$0	\$134,406	0.00	\$0	\$0	\$0	\$0

DP 5 - Participation, Pacific Northwest Economic Region - Title 5, Chapter 11, part 7, MCA, defines Montana's agreement with the Pacific Northwest Economic Region (PNWER), an international organization promoting greater regional collaboration among the states of Alaska, Idaho, Montana, Oregon, and Washington, the provinces of Alberta and British Columbia, and the Yukon Territory. Statute also defines procedures for the appointment and compensation of delegates. The 2001 and 2003 legislatures did not fund Montana's participation in PNWER. A budget of \$44,754 represents payment of \$30,000 for Montana's dues and participation of four delegates once each fiscal year.

DP 6 - Participation, NCSL and CSG - Montana is a member of two interstate organizations: National Conference of State Legislatures (NCSL) and the Council of State Governments (CSG). This proposal allows for participation of eight delegates in each of three NCSL conferences over the biennium for a cost of \$40,306 (\$1,679 per delegate) and the participation of eight delegates in each of three CSG conferences over the biennium for a cost of \$39,346 (\$1,639 per delegate).

DP 7 - Legislative Council on River Governance - The Legislative Council on River Governance is comprised of legislators from Montana, Oregon, Idaho, and Washington. The council mission is to assert state legislative authority over natural resources and river governance issues and to unite states for a proactive agenda of legislative action. In 2001, the legislature approved a one-time appropriation of \$10,000 for legislator participation in council meetings and activities during the 2003 biennium. Funding for participation during the 2005 biennium was eliminated from the budget during the appropriation process. This proposal provides funding for Montana's four members to participate in council meetings during the 2007 biennium.

Program Proposed Budget

The following table summarizes the Legislative Finance Committee budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	18.50	0.00	0.00	18.50	0.00	0.00	18.50	18.50
Personal Services	1,130,237	101,333	0	1,231,570	97,988	0	1,228,225	2,459,795
Operating Expenses	40,574	(1,002)	0	39,572	43,998	0	84,572	124,144
Total Costs	\$1,170,811	\$100,331	\$0	\$1,271,142	\$141,986	\$0	\$1,312,797	\$2,583,939
General Fund	1,170,811	100,331	0	1,271,142	141,986	0	1,312,797	2,583,939
Total Funds	\$1,170,811	\$100,331	\$0	\$1,271,142	\$141,986	\$0	\$1,312,797	\$2,583,939

Program Description

The Legislative Fiscal Division provides the legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination. Division services include: 1) fiscal analysis of state government and the furnishing of information bearing upon the financial matters of the state; 2) identification of ways to effect economy and efficiency in state government; 3) estimation of revenue and analysis of tax policy; 4) analysis of the executive budget; 5) compiling and analyzing fiscal information for legislators and legislative committees; and 6) staffing and support for legislative committees, including the preparation and processing of the General Appropriations Act. The Legislative Finance Committee provides guidance to the Legislative Fiscal Division.

Program Highlights

Legislative Fiscal Division Major Budget Highlights	
<ul style="list-style-type: none"> Increases due to statewide present law adjustments and cyclical nature of cost of legislative sessions that are not in the base year 	

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Legislative Finance Committee.

Program Funding Table Fiscal Analysis & Review						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01100 General Fund	<u>\$ 1,170,811</u>	<u>100.0%</u>	<u>\$ 1,271,142</u>	<u>100.0%</u>	<u>\$ 1,312,797</u>	<u>100.0%</u>
Grand Total	<u>\$ 1,170,811</u>	<u>100.0%</u>	<u>\$ 1,271,142</u>	<u>100.0%</u>	<u>\$ 1,312,797</u>	<u>100.0%</u>

This program is funded with general fund.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Legislative Finance Committee. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				101,333					97,988
Inflation/Deflation				(1,002)					(1,002)
Total Statewide Present Law Adjustments				\$100,331					\$96,986
DP 57 - LFD Program Operations	0.00	0	0	0	0.00	45,000	0	0	45,000
Total Other Present Law Adjustments	0.00	\$0	\$0	\$0	0.00	\$45,000	\$0	\$0	\$45,000
Grand Total All Present Law Adjustments				\$100,331					\$141,986

DP 57 - LFD Program Operations - The Legislative Branch budget is biennial; however, for comparison purposes, the budget is presented in an annual format. Increases to base total \$45,000 in the categories of temporary services, printing and photocopy, and office supplies, and are due to cyclical legislative session costs that are not captured in the base year. This is the same amount approved for 2005 biennium session costs, and is not an increase when comparing biennium to biennium.

Program Proposed Budget

The following table summarizes the Legislative Audit Committee budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	54.50	0.00	0.00	54.50	0.00	0.00	54.50	54.50
Personal Services	2,962,946	184,338	0	3,147,284	180,942	0	3,143,888	6,291,172
Operating Expenses	152,125	39,120	0	191,245	28,556	0	180,681	371,926
Total Costs	\$3,115,071	\$223,458	\$0	\$3,338,529	\$209,498	\$0	\$3,324,569	\$6,663,098
General Fund	1,843,171	(64,763)	0	1,778,408	65,987	0	1,909,158	3,687,566
State/Other Special	1,271,900	288,221	0	1,560,121	143,511	0	1,415,411	2,975,532
Total Funds	\$3,115,071	\$223,458	\$0	\$3,338,529	\$209,498	\$0	\$3,324,569	\$6,663,098

Program Description

The Legislative Audit Division conducts independent audits and provides factual and objective information to the legislative and executive managers of the public trust. Division services include: 1) conducting and reporting of biennial financial-compliance audits, performance audits, information systems audits, and special audits of state agency operations; 2) reporting of violation of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and shortages discovered in an audit that are covered by surety; 3) auditing records of entities under contract with the state; and 4) assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government. The Legislative Audit Committee provides policy guidance to the Legislative Audit Division.

Program Highlights

Legislative Audit Division Major Budget Highlights	
<ul style="list-style-type: none"> Increases due to statewide present law adjustments and cyclical nature of biennial audit costs 	

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Legislative Audit Committee.

Program Funding Table						
Audit & Examination						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01100 General Fund	\$ 1,843,171	59.2%	\$ 1,778,408	53.3%	\$ 1,909,158	57.4%
02042 Legislative Audit	<u>1,271,900</u>	<u>40.8%</u>	<u>1,560,121</u>	<u>46.7%</u>	<u>1,415,411</u>	<u>42.6%</u>
Grand Total	<u>\$ 3,115,071</u>	<u>100.0%</u>	<u>\$ 3,338,529</u>	<u>100.0%</u>	<u>\$ 3,324,569</u>	<u>100.0%</u>

The Audit & Examination Program is funded by a combination of general fund and state revenue appropriations. Special revenue is derived through the assessment, to agencies, of federally approved hourly rate charges for audit services.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Legislative Audit Committee. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				184,338					180,942
Inflation/Deflation				(2,101)					(2,065)
Fixed Costs				5,504					5,504
Total Statewide Present Law Adjustments				\$187,741					\$184,381
DP 10 - LAD Cyclical Adjustments									
0.00	19,606	15,194	0	34,800	0.00	13,634	10,566	0	24,200
DP 58 - LAD Program Operations									
0.00	541	376	0	917	0.00	541	376	0	917
Total Other Present Law Adjustments									
0.00	\$20,147	\$15,570	\$0	\$35,717	0.00	\$14,175	\$10,942	\$0	\$25,117
Grand Total All Present Law Adjustments				\$223,458					\$209,498

DP 10 - LAD Cyclical Adjustments - Changes from the adjusted base include cyclical costs associated with a Peer Review required by Government Auditing Standards, on-site audit training costs, and contract services for the use of actuary expertise on audits of retirement systems.

DP 58 - LAD Program Operations - The Legislative Branch business cycle is biennial; however, for comparison purposes, the budget is presented in an annual format. No base increases or decreases, other than statewide present law adjustments, are reflected.